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World Rice Shortage Eases

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This week's cover:

Burmese merchants weigh baskets of rice and take the temperature within the baskets for quality control purposes. Burma's rice production in 1974 could reach a targeted 8.2 million tons, if growing conditions continue good, and export plans could be fulfilled. See article beginning this page.

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World Rice Shortage Eases But Stocks To Remain Low

By ROBERT A. BIEBER
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RELIEF FROM a worldwide rice shortage that developed after poor crops last year appears to be in view, as reports from the important "rice bowl" countries of Southeast Asia indicate a return to more abundant harvests this season. The improved outlook is in response to generally good weather in Asian countries—producers of 90 percent of the world's rice—that last year were struck by a combination of misfortunes ranging from flood and drought to civil disturbance and disease.

Current estimates of rice availability in 1974 suggest that the world crop could reach or top the alltime record harvest of 1971-72—300 million metric tons of paddy. This will mean an increase in world production of 15 million tons, or 5.1 percent over last season's poor output of 286 million tons, provided of course that good growing conditions continue up to and during November-December harvests.

At the forecast 300-million-ton level, world rice production this season should begin to relieve the current extremely tight situation. As bigger harvests come into the marketplace early in 1974, prices should soften somewhat from the record highs prevailing in mid-1973, although prices will remain higher than those in 1972.

To meet current needs and rebuild stocks drawn down by last season's shortfall, import requirements in 1974 in many countries will continue to be high, with some shortages likely in May-June 1974. In particular, Indonesian import needs are expected to remain up in 1974 and the Philippines is likely to need rice in May-June 1974.

Export availability in producing countries could rebound this season to about 7.3 million tons milled basis—the amount traded in 1972—compared with the estimated 6.4 million tons exported in 1973.

As a result, the immediate needs of importing countries will be more nearly met this season, although supplies will not be adequate to insulate them from another year of reduced production. Further drawdowns of present low rice stocks will be avoided, but another good—even record—year of rice production will be needed to allow importing countries to accumulate stockpiles.

Last season's below-normal harvests followed 5 years of relatively full supplies and declining prices. But the stronger demand and low level of supplies last season combined to push prices to record levels on world markets, provoking a scramble among importing countries to purchase rice in spite of high prices.

Although world production was down by only about 5 percent, reduced output in most Asian countries had a profound effect on the world rice market. Production declines of 16 percent in Burma and 12 percent in Thailand severely limited exports from these two countries, which together supplied about 36 percent of rice moving in world trade in 1972.

THE CRITICAL determinant of world rice availability in 1974 and in years to come is the unpredictable effect of weather in rice producing countries, even though greater use of high-yielding varieties and fertilizer are combining to boost yields. Understandably, demand for rice is highest in producing countries, where rice has become a food staple unlikely to be replaced by other grains, except in times of acute scarcity. Thus, only about 2 percent of world rice production finds its way into international trade.

Favorable monsoon rains throughout Asia point to bumper rice crops if weather conditions continue good. Only one cloud has appeared on the horizon—serious floods in August 1973 are thought to have drastically reduced the size of Pakistan's crop. Because of flood damage, Pakistani rice exports are not expected to be over 300,000-

This report is based on the author's tour of Southeast Asia on August 30-October 6, 1973.

350,000 tons, milled in 1974. Even so, a large quantity of high-quality Basmati rice is thought to be stored, which could provide about 125,000 tons for export. And some observers assess export availability much higher—perhaps to 500,000 tons.

The impact of flood damage on Pakistan's rice crop is not yet clear, but output will undoubtedly fall below targeted production of 3 million tons. During the past season, Pakistan's rice harvest yielded 2.3 million tons—one of Asia's few success stories last year. During 1973, 770,000 tons were exported—270,000 tons from the 1971-72 crop and 500,000 tons from the 1972-73 crop.

Pakistan's Government is enthusiastic about exporting rice and plans to produce a minimum of 3 million tons next year, of which 1 million tons is slated for export. To compete on a world market in times of plenty, however, the quality of milling must be improved. Rice sold in 1972-73 entered world trade when supplies were short, prices high, and any quality of rice was in strong demand and could be sold at high prices.

However, Pakistan will always have a good market for their high quality Basmati (aromatic) rice, a variety that can only be grown in Pakistan and India because of soil requirements. Production of this rice is limited to 400,000 tons, providing a maximum of about 180,000 tons for export.

THAILAND—WORLD'S top rice exporter in both 1971 and 1972—harvested only 11.8 million tons of paddy in November-December 1972, severely limiting 1973 rice exports. Total 1973 exports will total only about 950,000 tons, compared to 2.1 million tons exported in calendar 1972.

The current Thai crop appears to have returned to a more-normal level and the consensus in Thailand is that the harvest will be about 13.5 million tons—a gain of 1.7 million tons over last year—to provide Thais with at least 1.5 million tons of rice for export in 1974 to world markets.

The Thai export ban on rice, in effect since July, was recently removed and limited quantities of high-quality white rice, 100 percent first grade, and 100 percent brokens, are now entering export channels. However, a high export premium has been imposed on high quality rice exports—totaling US$250 or 5,000 Baht per metric ton. The premium makes export prices extremely high and exporters are not able to move much rice at these prices. Exporters have expressed some discontent with the Government's strict export controls and high premiums.

Strict ceiling prices for domestic rice have been set by the Thai Government, which are equivalent to prices received by farmers. At present ceiling prices, millers claim the highest price they can pay for paddy is $60 per ton, about $20 more than farmers are used to receiving for their rice crops.

In early 1974—if the Thai harvest reaches 13.5 million tons—Thailand will again be in the export market and will

Rice crops in the Philippines, left, are expected to be excellent this year, although imports will be needed. Women transplant rice in Indonesia, above, where import needs remain high.

again be setting the world export price of rice. While this price should still be high, it could be somewhat below current extremely high prices.

In Hong Kong, a major customer for Thai rice in most years, importers had to turn elsewhere for rice supplies this year and 35,000 tons of long grain U.S. rice were purchased for delivery during July-September 1973. An additional 15,000-ton purchase from the United States is planned near the year's end. Purchase prices have ranged from $490 to $560 per ton, c.i.f. Hong Kong.

Although U.S. rice is well liked in Hong Kong, importers claim that freight costs of $40 a ton add too much to the landed price. Moreover, long shipping times, especially on charter vessels, caused profit losses because of price changes during transport. Importers require very well milled rice—no bottom-

"... the 1974 world crop could reach or top the alltime record harvest of 1971-72—300 million metric tons of paddy ... 5 percent over last season's poor output of 286 million tons."

line milling—and prefer to buy directly from U.S. rice millers, rather than from exporters and brokers.

In the first quarter of 1974, Hong Kong traders are likely to purchase rice from Thailand. Additionally, the People's Republic of China (PRC) is reportedly offering 3-year contracts guaranteeing a supply of Chinese rice to Hong Kong. Thus, the PRC's share of rice imports may increase in the future.

Rice acreage in the Republic of China (Taiwan) has gradually declined during the past few years, although total production has remained about even—even increasing slightly. Two crops are harvested every year, and 1973's first harvest was 1.1 million tons, a little less than 1972's first crop. The second harvest, now underway, could reach 1.2 million tons, for a total annual output some 100,000 tons below last year. This level would mean that Taiwan would have no rice to export in 1974.

Rice exports from Taiwan totaled 70,000 tons in 1973 and 20,000 in 1972, all to the Philippines and Indonesia at $260-$360 a ton to relieve shortages in these countries. By increasing the use of fertilizer and new varieties, Taiwan's Government hopes to increase production to at least 10 percent—or 300,000 tons—over domestic requirements in the next 3 to 5 years. The production goal for 1974 is 2.6 million tons. All of Taiwan's rice is irrigated and not subject to drought, but a remaining problem is damage from the August and September typhoons.

Filipinos are optimistic about the size of their 1973 rice crop, harvested mainly in November-December 1973. If the weather holds and no typhoon damage occurs, a crop of 3.7 million tons milled basis could be harvested, compared with production of 2.865 million tons in 1972.

In 1973, the Philippines imported only 325,000 tons of rice. Although the Government authorized purchase of 600,000 tons, no rice could be found in export markets when needed. A bumper corn crop saved the day for the Philippine Government and corn was substituted, often mixed with rice at a 2 (rice) to 1 (corn) ratio, for sale to consumers.

Even a record production of 3.6 million tons in 1973 will not solve rice problems for 1974. The Philippines will need to import 400,000 tons of rice next year to meet consumer requirements. To provide rice until the 1974 crop becomes available next October, imports should begin arriving in mid-April 1974.

The Philippine Government would like to import an additional 350,000 tons of rice in 1974 to use as a stockpile, but added purchases are unlikely since supplies may not be available and prices could be high. Another good or bumper crop in 1974 would return the country to self-sufficiency and eliminate the need to import rice in 1975.

Indonesia's 1973 rice crop, the bulk of which was harvested in May, was just about the same as the 1972 crop—19-20 million tons of paddy. Because of difficulties with local procurement, higher domestic requirements, and low carryover stocks on April 1, 1973, import needs for 1973-74 are high. At the start of the 1973-74 rice year, carryin supplies of imported rice from old contracts were 418,000 tons.

Since April 1, 1973, however, Indonesia has made a soft-loan purchase of 170,000 tons from Japan and commercially contracted for an additional 802,-

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U.S. Tobacco Marketing Group Examines Ontario Dutch Clock System

By HUGH C. KIGER
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AUCTION SELLING of U.S. flue-cured tobacco—a 125-year-old institution in America—has encountered numerous problems in orderly marketing during recent seasons. When these problems became so pronounced, the Secretary of Agriculture established a Tobacco Marketing System Study Committee earlier this year, to seek a solution.

One of the first actions of this Committee was to study the Ontario Dutch clock system of marketing flue-cured tobacco. Although this marketing system has been in operation only since 1957, most Ontario growers feel it is an effective and economical method of marketing the roughly 200 million pounds of flue-cured leaf they produce annually—about two-thirds for domestic consumption and one-third for distribution in export channels.

The marketing plan of the Ontario Flue-Cured Tobacco Growers' Market-

ing Board is binding on all producers and contains the powers, regulations, and procedures for all phases of tobacco marketing. This Board, consisting of 15 directors from the various districts of the producing area, ascertains domestic and export needs and establishes farm acreage allotments before each planting season.

The producers, through their Board, own their headquarters building and three auction warehouses at Delhi, Tillsonburg, and Aylmer, in the heart of Ontario's flue-cured tobacco growing area.

Each warehouse is a modern building with offices, auction room which houses the Dutch auction clock, private offices, and many other facilities necessary to handle the large volume of tobacco efficiently.

Display rooms are illuminated by excellent artificial light which gives a true daylight effect, and warehouses have facilities for controlling temperature and humidity. Each warehouse has the capacity to handle up to 1 million pounds daily.

Producers' deliveries to the warehouses are scheduled by the Board—usually five per grower each session. Before delivery, growers are required to strip, sort, and pack their tobacco into bales of about 55 pounds. Each bale must be tied and wrapped in kraft paper and the tobacco in the bales must be untied and the leaves laid straight.

After the tobacco is graded by bales and placed on classified flats in the warehouse, motor-driven lift trucks deliver it to the selling line. An auction catalog then is prepared so that buyers and appraisers can identify the tobacco in each row.

At this point, tobacco is offered for sale in catalog order. A Board caller identifies the flat offered and a clock man starts a large Dutch wall clock calibrated in quarter-cent decrements. The starting price is usually considerably higher than the going rate for the grade offered. As the clock hand descends, a buyer pushes a button at his seat to stop the hand at a price he wishes to pay.

THE TIME REQUIRED for the arm of the clock to make a 10-cent sweep or a complete counterclockwise turn varies from 7-13 seconds. In past years, the actual running of the clock has been from 3.5-4 hours each day. The number of sale days varies from 80-100 annually, running 5 days per week.

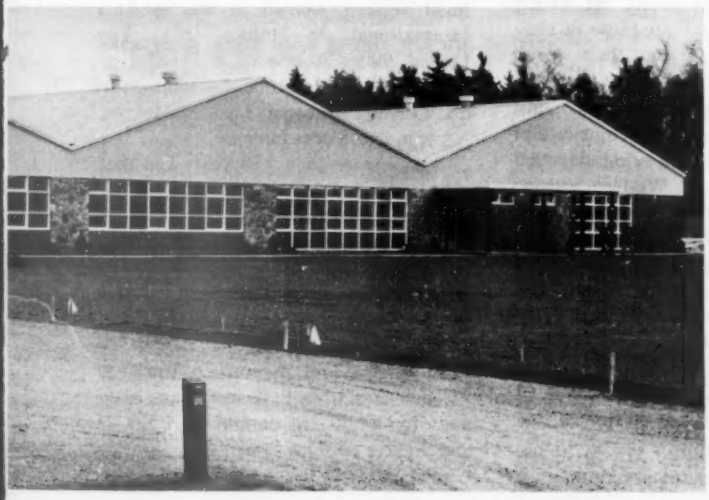
Ontario tobacco farmers may watch the sale in the clock room, but most prefer to sit in a nearby room reserved for producers which is equipped with an audio system and check their flats from the catalog.

After each line of tobacco is sold, farmers have a half hour in which to inspect their tobacco and either accept or reject the bids. A producer may reject a bid by signing the weight ticket witnessed by a Board employee. This tobacco then may be reoffered for sale on another day.

Buyers also have the option to reject a sale when an obvious mistake has been made in pressing the button to signal a purchase, or if the tobacco is wet, moldy, or "nested."

A modern computer system in the main office of the Board enables total daily sales from all three auction exchanges to be processed within a few hours after the closing of the last sale.

As might be expected, the Dutch clock system and the barn buying method previously employed in marketing Ontario tobacco have aroused complaints from both producers and buyers. The present system is more costly than



Ontario tobacco growers feel the Dutch clock system (right) is an effective and economical method of marketing the roughly 200 million pounds of flue-cured leaf they produce annually. (Below) One of the three Ontario Flue-Cured Tobacco Growers' Auction Exchanges.

barn buying but less than operating U.S. and Rhodesian auctions. Under the barn buying system representatives of tobacco companies inspected tobacco in the fields, during the curing process, and after all of the tobacco was stored in the barn. Agents of the major buyers normally inspected practically all tobacco grown in the Province.

After the buying season began, agents called on growers and made offers for crops which met their requirements. If a producer and buyer agreed on price, a contract was signed specifying how the tobacco was to be sorted and delivered. Upon delivery of the tobacco on specified dates, producers were paid, but were penalized if any of the bales of tobacco did not meet company specifications.

However, growers felt that buyers often discriminated among producers. Many feared that they might be forced to sell their tobacco late in the season at relatively low prices. And some buyers objected to the system because problems arose in disposing of certain grades when a producer's entire crop was bought.

WITH THE Dutch clock system, many buyers believe they always pay the higher price, and that growers do not grade and prepare the tobacco as well as under the previous system. In addition, some buyers have indicated that the size flats offered for sale are too small.

Generally, however, Ontario tobacco producers believe the Dutch clock system is a very efficient, economical, and speedy way to market. More than 2.5 million pounds of tobacco can be sold at the three exchanges in 1 day.

Compared with the 2.5 cents per pound cost to U.S. flue-cured growers in marketing their 1972 tobacco crop, Ontario growers pay 1 cent per pound for all expenses incurred by the Board —establishing allotments and measuring planted acreage on each farm, operating the three auction exchanges, and conducting an export promotion program.

Ontario exchanges also remove company purchases from auction floors and place them on conveyors, whereas U.S. buyers incurred additional costs in removing their purchases of the 1972 U.S. tobacco crop from the auction floors. Canadian purchasers supply only buying personnel, a checker, and packers to load trucks.

U.S. Adoption of Metric System Seems Question of WHEN—Not IF

By HARRY C. TRELOGAN
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TERA, GIGA, MEGA! No, that isn't baby talk or a new language. Those are 3 of the 12 prefixes you will need to know in order to understand the metric system when it replaces our present English system of weights and measures. And it seems that "going metric" is imminent in the United States.

Now that Great Britain and Japan have made the switch to metrication, the United States is the last holdout among the large trading countries of the world. The question no longer is if the United States will go metric, but when and how will it happen? Both the Senate and the House of Representatives have bills well along the way to facilitate making the shift a reality.

How will this switch affect agriculture? Over the long haul, agriculture could have as much or more to gain by metrication as other segments of the economy. The most obvious effect, of course, will be in world trade. Overseas sales of U.S. farm products far exceed imports, and prospects are for this pattern to continue. Therefore, agricultural trade will benefit.

For example, between 1967 and 1970, Great Britain, France, and West Germany agreed on comprehensive electronic standards based on metric units in order to facilitate trade in electronic products among their three countries.

However, this agreement which initially was limited to three countries and one class of products, is being extended to include the rest of Western Europe and to embrace other products. Thus, the existence of international standards is serving to strengthen and unify Western Europe as a market for all products, including agricultural items. And eventually, the matter of weights and measures could limit U.S. sales abroad or even freeze the United States out of some markets.

Presently, the English system in use in the United States requires numerous conversions in world trade. U.S. farm products are sold by the pound, bale, gallon, bushel, or other measures and containers of innumerable shapes and sizes. Even a given measurement unit has different meanings within a single commodity as well as among various commodities.

For example, the bushel—the best-known agricultural measure—is fundamentally a volume measure of 2,150.42 cubic inches, but in practice it is commonly used as a weight measure. The conversion leads to some confusion. All States specify 60 pounds for wheat, 56 for shelled corn, and 32 for oats. However, specifications for barley range from 32 to 60 pounds. Actually, it is not uncommon for a bushel of oats to weigh as much as 38 pounds or a bushel of wheat, as little as 58.

Of course, the U.S. system could be simplified, but the efforts would be as great as those involved in shifting to the metric system and the United States still would be the "odd man out" of the international scene.

THERE ARE some 130 nations already using the metric system and 16 others in the process of adopting the refined version, known as the Système International de Unities (SI). The United States is one of a handful of holdouts, which include Ceylon, Gambia, Guyana, Jamaica, Liberia, Malawi, Nigeria, and Sierra Leone.

It was more than 150 years ago that John Quincy Adams recommended that the United States wait until a uniform international measurement system could be worked out before shifting to the metric system, even though 3 decades earlier Thomas Jefferson had reported to the Congress the need to modernize U.S. weights and measures. However, Adams' conditions have long since been met: the world has committed itself to the metric system and even in the United States its use is increasing. Thus,

the time for decision on just how to make the shift has come.

There are two basic ways of changing over to metric—the software way and the hardware way. A software change is simply that of replacing one measurement with another. Take spray equipment, for example; with the use of a conversion table, equipment can be calibrated so it delivers in terms of liters-per-minute instead of gallons per-minute, and this can be done with essentially no cost to the operator. Then, when the sprayer wears out, it can be replaced with one calibrated in liters-per-minute and the cost of conversion is nothing.

ON THE OTHER HAND, to make a hardware change, perfectly good equipment would have to be discarded and replaced with equipment that delivers in metric units. Some changes in hardware could be very costly.

However, the legislation now before the Congress would allow from 10 to 20 years to effect full changeover to the metric system. Many industrial leaders, without waiting for legislation, already have programs underway to adopt metric measurements for some uses, others are using metric units on a limited basis, and hundreds of other companies are closely watching the trend toward metrication.

In addition, bills to promote metrication are being introduced in State Legislatures. In Ohio, the move to metric has begun by using a dual system of markings on road signs. And legislation has been introduced in California to begin using highway signs with metric measures in 1974.

The shift will not be as difficult as some would suppose. There are several basic units which most people will use in everyday life. They are: The meter, a unit of length; the gram, a unit of weight; the liter, a unit of volume; and the degree Celsius (in common use translated into centigrade degrees), a unit of temperature. Of the remaining basic units, two already are in use. They are the ampere, a unit of electrical current and the second, a unit of time.

The easiest part in using the metric system is converting the basics to larger or smaller measures because every metric unit is related to another by multiples or submultiples of 10. For example, there are 10 millimeters in 1 centimeter, 100 centimeters in 1 meter, and 1,000 meters in 1 kilometer.

Moreover, multiples and submultiples of the metric system follow a consistent naming scheme. This scheme consists of attaching a prefix to the unit. The three most-used prefixes are milli, meaning a thousandth; centi, a hundredth; and kilo, 1,000 times. For example, 1 kilogram, equals 1,000 grams; 1 kilometer, equals 1,000 meters; 1 millimeter equals 1 one-thousandth of a meter.

Other things that will be handy to remember are:

- A meter is about 3 inches longer than a yard;
- A kilogram is roughly twice as heavy as a pound
- A liter is a little larger than a quart;
- A kilometer is somewhat farther than a half mile;
- A hectare is about 2½ acres;
- A metric ton is about equal to a customary long ton;
- And a degree Celsius is about half a degree Fahrenheit after subtracting 32°.

At first glance, these new measurements might seem complicated. In reality, the simple terminology and greater flexibility of the metric system make it easy to learn and to use. In fact, much of the time spent on fractions in elementary schools could be used in teaching other subjects. Engineering and scientific calculations based on units of 10 are fast, simple, and often inexpensive. The shift to metrication will eliminate many of the inefficiencies involved in converting from one measuring system to another in designing products or selling in overseas markets.

For the consumer, metrication will have a major advantage. Prices of items sold by volume, weight, or count will be easier to compare when the monetary and measurement systems have the same decimal base. Further, after metrication has been accepted throughout the U.S. Government and business community, savings resulting from increased efficiencies could be passed on to consumers.

PRC's Late Crops Good—But Imports Seen High

By FREDERICK W. CROOK
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Late grain harvests in the People's Republic of China could be as good as the "bumper" early crops reported in August, according to scattered reports now coming in from a number of Chinese Provinces and Districts. Demand for grain and other commodities is expected to keep imports up, however, with imports from the United States estimated as high as $1 billion in 1973-74.

Grain production this year is expected to be in the same range as 1971's 220-230 million tons, 10 million tons more than in 1972.[1] Favorable weather conditions, increased inputs, and better organization probably will also improve the output of oilseed, cotton, and tobacco crops, compared with 1972 production. The production of most oilseed crops and cotton, however, is still judged to be below record levels. Livestock numbers are believed to have increased modestly again this year.

Grain production this year is estimated to include approximately 27 million tons of wheat, 103 million tons of paddy rice, 71 million tons of miscellaneous grains, and 26 million tons of tubers (grain equivalent).

This past August the PRC reported harvesting a bumper crop of early grains. These grains, which account for one-third of China's total grain harvest, include early rice, winter and spring wheat, barley, and pulses. Late grains, which account for the other two-thirds, include intermediate and late rice, miscellaneous grains, and tubers. Most of

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This report included in World Agricultural Situation Report, ERS, Dec. 1973.

[1] PRC officials claim a record harvest this year of 250 milion tons of grain. Both official and ERS estimates define grain as wheat, paddy rice, miscellaneous grain, and tubers (converted to a grain equivalent basis at a ratio of four units of tubers to 1 of grain). Miscellaneous grains include barley, buckwheat, corn, millet, oats, pulses, rye, and sorghum. An extraction rate of 68 percent is used to reduce paddy rice to a milled basis.

Belgian Greenhouse Fruit and Vegetable Exports Growing

By ALFRED R. PERSI
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ACCOUNTING FOR only a small part of Belgium's total production, exports of greenhouse fruit and vegetables, nevertheless, are becoming a more important element with trade increasing to such countries as West Germany and France. Exports of greenhouse table grapes, tomatoes, lettuce, and cauliflower have shown general uptrends in recent years, and most of them have good growth prospects for the future.

Belgium's wet climate, along with its exposed location on the cold North Sea, restricts outdoor production of vegetables and fruit—primarily the deciduous and berry varieties—to the summer months. However, adoption of greenhouse horticulture has lengthened the production period to 12 months in some cases.

The first Belgian greenhouse was constructed in 1865, primarily for grape production, in the Commune of Hoeilaart, 12 miles from Brussels, by the Sohie Brothers, who were horticulturalists. By the next year, the Sohie family had established 11 more greenhouses. Other producers began to follow the Sohie example, and by 1872 the number of grape greenhouses in Hoeilaart had risen markedly.

By 1929 there were some 23,380 greenhouses in Belgium engaged in grape production, with 40 percent located in the Commune of Hoeilaart and 34 percent in adjoining Overijse Commune. The number grew to 34,900 by 1961 but declined to 26,000 by 1970 because, as a member of the European Community, Belgium had to adopt a policy allowing free intra-EC trade in grapes and other agricultural products. Emphasis on greenhouse vegetables did not begin until the 1950's.

Produced all year round, Belgian table, or dessert, grapes are reportedly the only ones raised in the winter in the Northern Hemisphere. Grown in both black and white varieties, this grape is remarkably large, wtih firm and juicy flesh, and has a reputation for quality domestically and abroad.

Domestic grape production competes with grapes from other Common Market countries such as those from France and Italy, which enter the Belgian market at lower prices in late summer. They continue to sell in Belgium until September and October when 70 percent of Beligan hothouse grapes come on the market.

Belgian grape output has dropped from 12,000 tons in 1968 to 11,500 tons in 1972. Nonetheless, Belgian grape exports have grown from 2,030 tons in 1968 to 2,270 in 1972, with the United Kingdom traditionally, and West Germany in recent years, important markets. (All tons are metric.)

Belgian hothouse production of strawberries is a specialty of the Hoogstraten area, in the Antwerp Province near the Dutch border. The annual indoor crop has risen in the past 5 years from 900 tons in 1968 to 2,200 tons in 1972. The growing period is November-May.

Belgian strawberries are of high quality and although exports of greenhouse varieties have been negligible—these berries mostly being consumed domestically—outdoor varieties have enjoyed a steadily growing export market.

Domestic greenhouse production of melons, which occurs from May to October, has not been large in the past 5 years, rising from an estimated 1,900 tons in 1968 to only 3,000 tons last year. Although there is no separate breakdown in official trade statistics for melon exports, this trade is believed to be minimal.

All greenhouse fruit that enters commercial channels is handled through auction markets. Fruit is sorted, graded, and packed both at the producer and/or auction areas. As a member of the European Community, Belgium complies with EC regulations concerning standard fruit grades and packs. Commercial sales are subject to both quality and packing control.

Belgian fruit growers also use cold storage facilities for their products to be able to provide the market with steady supplies over a longer period of time.

Since 1950, hothouse vegetable output has expanded considerably and in recent years, greenhouses engaged in vegetable production have covered well over 2,500 acres. The main districts in which these vegetables are grown are the Brussels-Louvain, Antwerp-Malines, and the Roeselare (West Flanders) sections of the country.

Over 90 percent of Belgian greenhouse vegetable production consists of tomatoes, lettuce, cucumbers, and cauliflower, with celery, green beans, carrots, spinach, parsley, and salad greens making up most of the balance. Tomatoes

and lettuce combined amount to 80 percent of total greenhouse vegetable production.

Belgium's year-round greenhouse production of tomatoes continues to grow steadily. During the past 5 years, it rose from 66,100 tons in 1968 to 89,300 tons in 1972, a 35-percent increase.

Exports of these tomatoes have also climbed—from 10,143 tons in 1968 to 15,453 tons in 1972. France is the principal market.

Belgian lettuce, or cabbage lettuce as it is sometimes called, is grown under glass between October and May. Its cultivation has risen by 30 percent in the past 5 years, mounting from 44,200 tons in 1968 to 57,400 tons in 1972.

Exports of this vegetable have grown by over 47 percent in the 5-year period between 1968 and 1972—from 15,600 tons to 23,130 tons. West Germany has been the main foreign customer for Belgium's hothouse lettuce and total future exports are expected to climb.

BELGIAN GREENHOUSE farmers grow a rather large, elongated variety of cucumber during March-November. Although production has expanded, exports have declined. Output went from 10,000 tons in 1968 to 12,000 tons in 1972, while foreign sales, after having risen from 630 tons in 1968 to 1,660 tons in 1971, dropped sharply to 250 tons in 1972. Should the export market for this product continue to decline, production can be expected to show a similar downtrend.

Cauliflower production under glass, grown during the March-May season, has shown a general decline during the past 5 years—from 1,060 tons in 1968 to 440 tons last year. Exports of this vegetable, however, have risen from 19 tons to 167 tons in the same 5-year period.

Hothouse vegetables are marketed through auction channels and, like Belgian greenhouse fruits, are subject to EC quality controls.

Below, a young woman displays some of the black grapes grown in Belgian greenhouses. In 1970, grapes were grown in 26,000 greenhouses, much of them for export. Bottom left, an exterior view showing some typical greenhouses. Upper left, Belgian greenhouse tomatoes. Three years ago, exports of these tomatoes totaled more than 15,000 metric tons.

Portugal Sets Up New Groups To Oversee Key Commodities

By CARLOS A. VIEIRA
Office of U.S. Agricultural Attaché
Lisbon

IN AN EFFORT to unify services and increase operational capacity, the Portuguese Government has established four new commodity Institutes to oversee production, processing, and marketing of major agricultural products.

These new Institutes replace all but a few of the former official and quasi-official economic organizations which had limited scope and often overlapping purposes. Under the new system, which became effective on January 1, 1973, the Portuguese Government has secured a greater measure of control of all economic activities concerned.

The new commodity Institutes are the Cereals Institute (Instituto dos Cereais), the Olive Oil and Oilseed Products Institute (Instituto do Azeite e Produtos Oleaginosos), the Textile Institute (Instituto dos Texteis), and the Forestry Products Institute (Instituto dos Produtos Florestais).

The structure, organization, and scope of each Institute is similar; however, the first two are concerned primarily with ensuring adequate domestic supplies, while the other two are more export-oriented. Basically, all the Institutes coordinate and control production, processing, and marketing, both internal and external, of the commodity or group of commodities and byproducts under their care.

The new Institutes offer financial and technical assistance to farmers and producers, establish quality standards for certain products, act as residual buyers at minimum guaranteed prices, encourage production and exports, issue certificates of quality and origin, and generally keep the Government informed on prices, import requirements, and export promotion.

In the process of reorganization the Grémios or Guilds were not abolished but their functions and revenues were considerably curtailed. For example, the supervisory and laboratory services of the Grémios, as well as part of their revenue from tax, have been transferred to the Institutes which may supplement Grémios' budget shortfalls.

The Institutes obtain revenue from several sources—taxes on the various products, interest on capital investments, fines, Government subsidies, and fees for services. This revenue covers not only operating costs but is also used to purchase equipment, build storage facilities, and similar functions.

The Cereals Institute has replaced all organizations previously concerned with grains except two groups which are not fully integrated in the Institute but are subordinate to it—the National Federation of Millers (Federacão Nacional dos Industriais de Moagem) and the Rice Millers Guild (Grémio dos Industriais de Arroz).

These two statutory bodies continue to be responsible for wheat and rice imports, respectively, but their right is now delegated by the Institute as opposed to a legislative right before reorganization. These two organizations may be absorbed by this Institute in due course. All other cereal imports are the responsibility of the Institute except processed rice, which is the responsibility of the Lisbon Grocery Wholesalers Guild (Grémio dos Armazenistas de Mercearia de Lisboa).

This new Institute, composed of three divisions—Food Grains, Rice, and Feedgrains—is responsible for ensuring that the country's grain requirements and standards are met. Additional areas of responsibility include providing technical and financial assistance and offering bonuses and subsidies to producers. The Institute also ensures a guaranteed domestic market by acting as a residual buyer of all locally produced grains at prefixed minimum prices.

The Olive Oil and Seed Products Institute replaces all former organizations dealing with these commodities except the Olive Oil Wholesalers and Exporters Guild (Grémio dos Armazenistas e Exportadores do Azeite). However, this organization surrendered its supervisory and laboratory services, as well as its tax revenues, to the Institute, which is responsible for ensuring adequate domestic supplies of oilseeds and vegetable oils.

To this extent, the two divisions of this Instiute—the Edible Oil and Products (Oleos e Productos Comestiveis) and the Industrial Oils and Products (Oleos e Produtos Industriais)—handle exports of oilseeds and vegetable oils, edible and nonedible, including olive oil when necessary. In addition, the Institute establishes quality standards and prices for olive oil and its export.

The Textile Institute (Instituto dos Texteis) also replaces organizations previously concerned with this industry except for the National Federation of Wool Manufacturers (Federacão Nacional dos Industriais de Lanificios), which is now a subsidiary of the Institute. This Institute has no distinct divisions but the President of the Board is

PORTUGAL: ESTIMATED PRODUCTION AND TRADE FOR VARIOUS COMMODITIES NOW CONTROLLED BY THE INSTITUTES, CALENDAR 1972

Commodity	Production[1]	Imports[1]	Exports[1]
	1,000 metric tons	*1,000 metric tons*	*1,000 metric tons*
Cereals	1,565	1,087.0	0
Olive oil	55	41.0	8.4
Oilseeds	312	195.0	—
Raw cotton	90	113.0	—
Cotton yarns	92	—	29.4
Raw wool	9	11.9	.6
Fibers (jute and sisal)	—	63.5	—
Textiles	50	2.2	37.4
Cork	240	—	107.6
Rosin[2]	79	—	83.7
	Cubic meters	*Cubic meters*	*Cubic meters*
Timber	8,586	220.0	448.2

[1] Estimated. [2] 1971-72 production.

assisted by two directors.

Membership in this Institute is compulsory for all importers and manufacturers of yarn and textiles, clothings, and prints, as well as exporters of textiles. Imports of raw cotton and other textile fibers are coordinated by the Institute, as are processing and exporting activities of the industry. The Institute also may grant loans or obtain loans on behalf of its members.

Prior to 1972, Mozambique and Angola had to meet the total requirements of Continental Portugal's textile industry before they could export elsewhere. However, in mid-1972 the Portuguese Government released all overseas-grown cotton for sale on world markets on a competitive basis. As a result, exporter prices for such cottons are no longer fixed for predetermined quotas to manufacturers in Continental Portugal.

THE FORESTRY Products Institute has replaced two of the previous forestry organizations; however, the two corporate organizations, the Association of Naval Stores Manufacturers and Exporters Guilds (União dos Grémios de Industriais e Exportadores de Produtos Resinosos) and the Timber Exporters Guild (Grémio dos Exportadores de Madeiras) remain in operation but are subordinate to the Institute.

The Institute controls production, processing, and marketing of timber, cork, naval stores, and their byproducts; carries out economic studies and surveys, promotes exports, establishes and supervises quality standards for the products, and offers technical and financial assistance to producers and exporters. However, some of these functions may be delegated to other Government or private organizations with the prior approval of the Secretary of State for Commerce.

Membership in this Institute also is compulsory for all manufacturers, exporters, importers, wholesalers, and other middlemen of timber and wattle, cellulose paste and paper, cork, naval stores, and byproducts. The Advisory Council for this Institute represents four areas of the industry, namely, cellulose and paste, timber, cork, and naval stores.

Rice (far left) and wheat fields (above) in Portugal. These are the only two grains for which full responsibility has now been given the new Cereals Institute. Portuguese olive groves (left) planted on terraces. This commodity is now under the Olive Oil and Seed Products Institute.

Worldwide Rice Shortage Eases, Stocks Remain Low

Continued from page 4

000 tons—providing a total of 1.4 million tons for the 1973-74 year. Arrivals have been scheduled to meet domestic needs only through February 1974, so additional purchases must be made or contracts signed to cover needs for the months of March, April, and May 1974—until the 1974 crop becomes available in the marketplace.

On September 19, 1973, President Suharto called for setting up a 1.6-million-ton national rice stockpile by the end of 1974. Such a goal will be difficult to reach, however. Even with another bumper crop in 1974, it will take 2 consecutive good years before rice is available for stockpiling anywhere in the world.

Singapore—a transit and financial center in Asia's rice trade—has not been affected by the current short supply of rice because of the Government's policy requiring traders to maintain stocks for consumption in Singapore. In any event, the PRC is thought likely to supply rice in quantity to Singapore and Hong Kong should it become necessary.

Burma's rice output could rebound this season from the reduced 1972-73 crop, now officially estimated at 6.78 million tons—a drop of 1.32 million tons from 1971-72 production. Burma's rice exports in 1973 dropped to 100,000 tons, of which 85,000 tons went to Sri Lanka at last year's low prices under the PRC's rubber-rice exchange agreement.

Targeted production this year is 8.2 million tons from a sown acreage of 12.4 million. If weather holds, this target could be reached and export plans of 600,000 to 700,000 tons fulfilled. Exports could fall somewhat below this level, however. Traditional customers—Bangladesh, Indonesia, and Mauritius—are likely to be receivers.

Burmese procurement prices for paddy from the 1973 crop have been increased to $124.65 per 100 baskets (4,600 pounds) from last year's level of $88.28.

Bangladesh's 1973 rice crop appears to be excellent. With weather continuing good, production could total 18.8 million tons of paddy, compared with 1972 output of 15.8 million tons. But even with this good crop, it appears that Bangladesh will need to import at least 2 million tons of foodgrains in 1974 to fill domestic needs. The current rice harvest will meet consumer requirements until about May 1974, when imports appear necessary.

India's excellent weather and adequate fertilizer inputs this season promise an abundant rice harvest—perhaps as much as 45 million tons milled basis. The monsoon failure last season slowed rice production to about 38.6 million tons—an unofficial estimate. This level was 4.2 million tons below the previous year's outturn and resulted in widespread shortages throughout the country.

The recently announced 2-million-ton Soviet foodgrain loan to India will include an as-yet undetermined quantity of rice. Hoped-for imports of 200,000 tons of rice under the loan should meet India's import needs for calendar 1974. Moreover, announcement of the loan caused Indians who were withholding rice to release thousands of tons onto the marketplace, in fear that prices would drop.

For the present, India's Government appears to have tabled proposals for State control of wholesale rice trade. The prospect of an excellent kharif crop and the Soviet foodgrain loan should ensure adequate supplies in 1974. Another good crop in 1975 could enable India to again build a stockpile of foodgrains.

Girls transplant bundles of rice seedlings in Thailand—a top rice exporter.

CROPS AND MARKETS

GRAINS, FEEDS, PULSES, AND SEEDS

USSR Winter Grain Area Near Normal

The Soviet Union has reported that its plan for sowing winter grains for harvest in 1974 has been overfulfilled. Total area seeded, reportedly, was about 89 million acres, or 102 percent of plan. Preliminary estimates of seeded area for individual winter grains (in millions of acres) are: Winter wheat, 60; rye, 25; and winter barley, 4.

Almost everywhere winter grains are said to be in good condition. Precipitation this fall was below normal in the southern and western Ukraine; however, the North Caucasus, eastern Ukraine, Central Black Soil Zone, and the Volga regions received above normal rainfall.

It is estimated that about 75 million acres of winter grains will be harvested in 1974. This assumes near normal winterkill and average use of winter grain for forage. Thus as shown in the following table, 1974 harvested winter grain area is expected to be about equal to the near normal 1970 and 1971 areas but significantly larger than other recent years. In 1969 and 1972, harvested winter grain area was greatly reduced due to abnormally heavy winterkill, while in 1973 drought prevented the seeding of the planned area.

USSR: HARVESTED AREA OF WINTER GRAINS, 1966-74
[In millions of acres]

Year	Wheat	Rye	Barley	Total
1966	48.9	33.6	3.7	86.2
1967	48.7	30.6	3.2	82.5
1968	46.9	30.1	3.9	80.9
1969	35.6	22.7	2.2	60.5
1970	45.7	24.7	3.2	73.6
1971	51.1	23.5	3.2	77.8
1972	37.0	20.0	3.2	60.2
1973 [1]	45.0	17.0	4.0	66.0
1974 [2]	49.0	22.0	4.0	[3] 75.0

[1] Preliminary. [2] Estimated. [3] Assumes normal winterkill and use of winter grains as forage.

Australia's Drought Complicates Locust Fight

Australia's efforts to combat locusts this year will be complicated by last year's drought which caused the pests to spread widely in search of food and lay their eggs over a large area, rather than in normal concentrations.

Unofficial estimates indicate as much as 15 percent of the crops in New South Wales and Victoria has been damaged by these insects. Southwest Queensland and South Australia have suffered to a lesser degree.

Air and ground spraying activities got underway in the Riverina region of New South Wales and northern Victoria State when the first locust swarms began to migrate. One of the factors limiting spraying is reportedly a fire that reduced production in the Japanese plant that manufactures the insecticide used to fight these infestations.

Because of the several states involved, the outbreak is now a concern of the Federal Government, which will contribute about US$750,000 toward the war on locusts. The Government is particularly concerned about locust damage to the wheat crop, which is now estimated at 425 million bushels, up from last year's drought-strickened harvest of only 240 million bushels.

Rotterdam Grain Prices and Levies

Current offer prices for imported grain at Rotterdam, the Netherlands, compared with a week earlier and a year ago:

Item	Dec. 11	Change from previous week	A year ago
	Dol. per bu.	*Cents per bu.*	*Dol. per bu.*
Wheat:			
Canadian No. 1 CWRS-13.5	6.20	+42	3.14
USSR SKS-14	(1)	(1)	(1)
Australian FAQ [2]	(1)	(1)	2.93
U.S. No. 2 Dark Northern Spring:			
14 percent	6.12	+30	2.91
15 percent	(1)	(1)	2.93
U.S. No. 2 Hard Winter:			
12 percent	5.98	+31	2.94
No. 3 Hard Amber Durum	8.91	+30	2.88
Argentine	(1)	(1)	(1)
U.S. No. 2 Soft Red Winter	(1)	(1)	(1)
Feedgrains:			
U.S. No. 3 Yellow corn	3.40	+15	1.97
Argentine Plate corn	3.61	+ 5	2.34
U.S. No. 2 sorghum	3.30	0	2.08
Argentine-Granifero sorghum	3.29	+ 1	2.08
U.S. No. 3 Feed barley	2.88	+16	1.86
Soybeans: [3]			
U.S. No. 2 Yellow	7.14	+20	4.76
EC import levies:			
Wheat [4]	[5] 0	0	.97
Corn [6]	[5] 0	0	.78
Sorghum [6]	[5] 0	0	.65

[1] Not quoted. [2] Basis c.i.f. Tilbury, England. [3] New crop. [4] Durum has a separate levy. [5] Levies applying in original six EC member countries. Levies in U.K., Denmark, and Ireland are adjusted according to transitional arrangements. [6] Italian levies are 18 cents a bu. lower than those of other EC countries.

Note: Price basis 30- to 60-day delivery.

LIVESTOCK AND MEAT PRODUCTS

Dominican Republic Fixes Beef Export Tax Rates

A new law taxing beef exports from the Dominican Republic was recently approved by the Dominican Congress. Rates vary, depending on the beef's export price, as follows:

- Beef with an export price up to 70 cents per pound will be assessed an ad valorem tax of 5 percent.
- Beef with an export price ranging from 70 cents to 90 cents per pound will be assessed an ad valorem tax of an additional 20 percent on the export cost in excess of 70 cents per pound. For example, assuming beef with a 90-cent-per-pound export cost, the tax would be 3.5 cents plus 4 cents per pound,

or 7.5 cents per pound.

- Beef with an export price higher than 90 cents per pound will have an additional ad valorem tax of 25 percent placed against the export cost in excess of 90 cents per pound.

The new law also states that beef carcasses exported will be subject to a charge of 60 percent under the tax. However, currently no beef carcasses are being exported.

The law apparently has caused discontent among ranchers and beef exporters alike. Exporters expect the ranchers to absorb the amount taxed. In turn, the ranchers are reluctant to pay the whole charge.

Also, the tax could place a damper on the incentive to produce better quality beef by feedlot operations. Reportedly, one of the largest feedlots in the Dominican Republic has temporarily suspended operations because of the tax.

Foot-and-Mouth In South Africa

A series of foot-and-mouth outbreaks have recently been reported in South Africa, one of the largest being in the Kruger National Park located in the eastern Transvaal. The outbreaks reported in the Park involved impalas.

Since the carrier is a cloven-foot animal, control has been imposed to prevent spreading of the disease to cattle and other animals in the nearby White River and Barberton areas.

COTTON

Honduras Expands Cotton Production and Acreage

Through its extremely active National Development Bank, the Government of Honduras is currently encouraging expansion of both cotton acreage and production. During the 1972-73 crop year, the Bank made some US$3 million available for production financing in the cotton-growing States of Choluteca, Olancho, and Valle, and in the Jamastran Valley of El Paraíso. Although predictions regarding extent of possible expansion over the next several years varies considerably, producer, public, and private representatives alike share a general desire and intention to expand cotton production. These optimistic plans, however, follow a recent weather- and price-depressed pattern in Honduran cotton production.

During the late 1960's and early 1970's, cotton acreage dropped off considerably as international prices became less attractive. From a peak of 38,000 acres in 1965, a drop of over 70 percent occurred by 1970. This left cotton area that season at approximately 10,000 acres. During the 1971-72 season acreage dropped an additional 10 percent.

More recently, the producer cooperative, Cooperativa Algodonera del Sur (CAS), placed 1972-73 harvested acreage at 18,000 acres, up nearly 100 percent from the previous season. According to the CAS, plantings in 1973-74 may have reached 23,000 acres; while predictions for 1974-75 call for another rise to nearly 35,000 acres. By 1976-77, CAS officials foresee further increases to something in the range of 86,000 to 110,000 acres.

Annual average yield throughout the 1960's exceeded 630 pounds of lint per acre, reaching a peak of 708 pounds in 1963-64. Between 1970-72, prolonged drought reduced the annual yield average to below 500 pounds. Weather during the current crop year has been favorable and yields should be at more normal levels.

The production picture has closely reflected these trends. From a 1964-68 record annual average of 43,000 bales (480 lb. net), Honduras produced an annual average of 11,000 bales between 1969-71. During the 1972-73 season just ended, Honduras produced approximately 20,000 bales, an increase due entirely to area increases. Production for 1973-74 is progressing well under more favorable weather conditions and a lint outturn of about 28,000 bales is expected. Over the next several seasons, the combination of a return to more normal yields and an expansion in cotton area—both being forecast by CAS—would increase production to between 110,000 and 145,000 bales by 1976-77.

TOBACCO

Mexico Moves Closer To Tobacco Industry Takeover

The Government of Mexico recently took another step toward nationalization of the tobacco industry.

A Government-owned bank has purchased the Liggett and Meyers interest in Tabacalera Mexicana, Mexico's largest cigarette manufacturer. Tabacalera and the country's two largest manufacturers "Mexicanized" earlier this year, account for about 90 percent of Mexico's cigarette production.

Last November, the Government nationalized production and marketing of leaf tobacco, and increased prices of leaf tobacco to manufacturers by approximately one-third. Requests for retail price increases by manufacturers were denied.

Currently Mexico takes very little U.S. unmanufactured tobacco and cigarettes as import licenses are required and few are issued.

FATS, OILS, AND OILSEEDS

U.S. Cottonseed Oil Exports Up 29 Percent in 1972-73

U.S. exports of cottonseed oil, October 1, 1972-September 30, 1973, rose to 582 million pounds—29 percent above the same period a year ago.

Egypt's imports of 237 million pounds accounted for 41 percent of total U.S. exports and 40 percent of the increase. Venezuela was the second largest market for U.S. cottonseed oil taking 14 percent of the total and Japan, third, with 7 percent. Exports to these three countries rose substantially over last year's as did exports to Mexico, Poland, and South Africa.

Shipments to these six countries accounted for 75 percent of 1972-73 U.S. cottonseed oil exports. The increases in exports to these six were substantially more than the net increase because of declines registered for other countries such as West Germany, Iran, and the Netherlands.

New customers for U.S. cottonseed oil this year were South Africa and Colombia.

Brazil To Import Vegetable Oil Before 1974 Soybean Harvest

Brazil reportedly may import 50,000-60,000 metric tons of vegetable oil between now and the April-May harvest period for 1974 crop soybeans. The development of a tight oil supply-demand situation is indicated by the accompanying data for soybean, peanut, and cottonseed oils.

A 12-percent or 112,000-ton gain in estimated oil produc-

tion is indicated for 1973, reflecting an even larger increase in soybean oil output, partly offset by reduced peanut oil production. The combined oil equivalent of exports is expected to rise an even greater amount—159,000 tons, due to a 68-percent or 166,000-ton oil-equivalent increase in soybean and soybean oil shipments.

As a result, availabilities for domestic use are 8 percent or 47,000 tons below the previous year's volume and 52,000 tons less than calculated requirements, based on the 1965-72 trend.

BRAZIL: APPARENT OUTPUT, DISTRIBUTION OF MAJOR EDIBLE VEGETABLE OILS[1]
[In thousands of metric tons]

Item	1971	1972	1973[2]
Calculated oil equivalent of indicated crops	674.0	955.0	1,066.6
Oil equivalent of exports	119.2	338.4	497.0
Apparent domestic use	554.8	616.6	569.6
1965-72 trend in domestic use[3]	546.3	584.1	621.9
Deviations from trend	+8.5	+32.5	−52.3

[1] Soybean, cottonseed, peanuts, oil equivalent basis. [2]-Preliminary. [3] Trend increase equals 37,800 metric tons annually.

SUGAR AND TROPICAL PRODUCTS

Indonesia's Pepper Exports Off in 1972

Indonesian exports of black and white pepper in 1972 totaled 22,756 metric tons valued at US$19.1 million, down slightly from 1971 shipments of 23,565 tons valued at US$24.2 million.

Major markets for the 1972 exports were the United States, 10,177 tons; Singapore, 5,159; the Netherlands, 2,607; the United Kingdom, 1,829; West Germany, 1,477; and the Soviet Union, 1,373.

Exports during the first 5 months of 1973 have amounted to 8,168 tons valued at US$7.9 million, compared with shipments of 8,483 tons valued at US$7.2 million during the corresponding months in 1972.

World Cocoa Bean Production Up Slightly in 1973-74

World cocoa bean production for 1973-74 is now expected to reach 1.46 million metric tons, an increase of 5.2 percent over the 1972-73 harvest of 1.39 million. African production is forecast at 1,009,000 tons, off about 2.5 percent from the 1972-73 level of 1,034,000. Harvesting of West African main crops is running much later than normal this season because of adverse weather during early crop development.

South American production is forecast at 318,600 tons, up 32 percent over the year-earlier level, reflecting prospects for a bumper Brazilian harvest and a larger Ecuadorean crop. North American production is forecast at 91,700 tons, up nearly 18 percent over the 1972-73 crop of 78,000. Production in Asia and Oceania is also expected to be higher this year.

Estimates for major producing countries in thousands of ton, with 1972-73 data in parentheses, are as follows: Ghana, 380 (420); Nigeria, 245 (264); Brazil, 220 (158.7); Ivory Coast, 200 (181); Cameroon, 115 (100); Ecuador, 55 (43); Dominican Republic, 39 (28); and Papua, 27 (22).

More information will appear in the December 31 issue of *World Agricultural Production and Trade.*

FRUIT, NUTS, AND VEGETABLES

Venezuelan Apple and Pear Imports for October 1973

An unofficial tally of apple and pear imports for October 1973 (compiled from daily reports of the Venezuelan Port Authority) in metric tons shows: Apples: United States, 159; France, 987; Germany, 110—Pears: United States, 247, France, 194; Italy, 115—Apples and pears (not separately classified): United States, 131; France, 863.

EC Changes Subsidies For Fresh Fruits and Nuts

The European Community recently announced several changes in export subsidies on selected fresh fruits and nuts. Effective November 20, 1973, fresh apples (destined for Austria), fresh tomatoes, and fresh peaches were deleted from the list of commodities eligible for subsidies, while oranges and mandarins were added. The commodities currently eligible and the rate of subsidy are shown in the accompanying table.

As indicated in the table's footnote, official parity between the EC's unit of account and the U.S. dollar is 1 u.a.=US$1.20635. This, however, merely represents an overall approximation. A more precise measurement would necessitate adjustments to reflect the relationship of the respective currency of each EC Member State to the unit of account and to the current value of the U.S. dollar.

EC EXPORT SUBSIDIES FOR FRESH FRUITS AND NUTS

Item	Export Subsidy
	Units of account[1] per 100 kg.[2]
Oranges[3]	4.00
Mandarins[3]	4.00
Lemons[3]	1.44
Grapes, table, field grown[3]	4.00
Grapes, table, hothouse[3]	16.00
Walnuts, inshell	8.00
Hazelnuts, shelled	4.00
Apples[3] [4]	3.00

[1] 1u.a.=US$1.20635. [2] Equivalent to 220.4 pounds. [3] Quality classes extra, I, and II. [4] Other than cider apples. Applies to exports to Africa, (except South Africa), the Arabian Peninsula, Syria, Bulgaria, Hungary, Poland, Romania, Czechoslovakia, the Soviet Union, Yugoslavia, Brazil, Venezuela, and Peru. Apples shipped via the Cape of Good Hope receive an additional subsidy of 4 u.a. per 100 kg.

Correction: Japan's 1972-73 imports of U.S. soybeans (page 14, *Foreign Agriculture,* Dec. 3) should read "one-sixth larger than the 1971-72 volume."

Other Agricultural Publications

• U.S. Dry Pea Exports Valued at $22.9 Million in 1972-73; Lentil Exports Set New Record (FDP-2-73)

Single copies may be obtained free from the Foreign Agricultural Service, USDA, Washington, D.C. 20250, Rm. 5918 S.; Tel.: 202 447-7937.

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PRC's Late Crops Good, Import Needs Seen High

Continued from page 7

these crops were harvested by the end of November. No national reports have been received, but Provincial and District reports indicate excellent harvests.

A number of important winter wheat Provinces reported this autumn that the area sown to wheat had been increased. Good soil moisture conditions resulted from above-normal autumn precipitation in the principal growing areas. The current outlook for the crop to be harvested next spring is good.

Oilseed production (soybeans, peanuts, cottonseed, and rapeseed), is calculated to have hit a peak in 1970 of 13.8 million tons, declined in 1971 to 13.3 million tons, and in 1972 decreased further to 12.5 million tons because of drought in North and Central China and heavy rains in Northeast China.

Acreages of soybeans, peanuts, and cotton are thought to have declined this year, although an increase was registered for rapeseed. The rapeseed crop has now been harvested and reports indicate production was greater than last year's estimated 1 million tons. Production of the other crops should bring total oilseed output close to the 1971 level.

Cotton fields in most areas were harvested by the middle of November, but a national report has not yet been released. Area sown to cotton is believed to have declined slightly. Yields this year are thought to be better than last year because of more favorable weather conditions. Production for 1973 is estimated at 7 million bales.

Livestock production is judged to have registered only modest gains in 1973. Droughts last year reduced fodder for sheep, cattle, and goats in the pastureland areas in the Northwest, as well as for hogs, draft animals, and poultry in the cultivated areas of China. The number of hogs is thought to have increased again this year and the total now may exceed 200 million.

In spite of apparently good domestic production this year, China's demand for grain, oilseeds, and cotton is strong primarily because of the need to build stocks after low production of these crops last year, population increases of 15-20 million annually, and perhaps because of increased livestock numbers, especially hogs.

China imported about 6.3 million tons of grain in 1972-73, including about 5.4 million tons of wheat and 900,000 tons of corn.

In 1973-74 China is expected to import about 9 million tons of grain, including 6.5 million tons of wheat. Of this, almost 4 million would come from the United States, 1.5 million from Canada, and 1 million tons from Australia. Some 2.5-3 million tons of feedgrains, mainly corn, would also be imported from the United States.

China recently signed long-term wheat agreements with Canada and Australia for calendar 1974, 1975, and 1976. For these years Australia has agreed to ship a total of 4.7 million tons and Canada has contracted to send between 4.9 and 6.1 million tons. U.S. grain companies have commitments to deliver wheat to China extending only through June 1974.

China exported about 745,000 tons of rice in 1971 and 800,000 tons in 1972. China's rice exports this year are expected to be about 900,000 tons.

The PRC is apparently continuing in 1973-74 a trend begun in fiscal 1971 when it moved from being a net exporter of vegetable oil (and seeds) to a net importer in fiscal 1972. In 1972-73 the United States sold to the PRC 33,000 tons of soybeans and 61,000 tons of soybean oil valued together at $27 million. In 1973-74 anticipated U.S. soybean exports to China amount to 905,000 tons.

In the 1972-73 marketing year, cotton-producing countries exported an estimated 1.6 million bales of cotton to China, of which 587,000 were from the United States. In the current marketing year, China is expected to purchase more than 1 million bales. As of November 25, 1973, export registrations of U.S. cotton moving to China totalled 881,000 bales (480 lb. net).

All told, the United States exported more than $200 million worth of agricultural products to the PRC in 1972-73 and imported agricultural and nonagricultural products from the PRC totaling $45.5 million. U.S. agricultural exports to the PRC this fiscal year could be 4 to 5 times greater than last year, hitting a record $1 billion.

China already has purchased Australian and Canadian wheat and U.S. cotton for 1974-75 delivery. Chinese trading corporations are expected to be in the market for 1974-75 delivery of additional wheat and cotton, and for quantities of oil, oilseeds, and corn.

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